

EXHIBIT S

EXHIBIT S

**Waterfront's Damages
Through April 30, 2014
Alternative A – Sale of Containers on Open Market**

Due to Waterfront for Lease 5004 (Attachment 1)	\$208,193
Due to Waterfront for Lease 7006 (Attachments 2-5)	<u>\$1,192,109</u>
Total Due to Waterfront	\$1,400,302

**Attachment 1 to Alternative A
Waterfront's Damages for Lease 5004
Through April 30, 2014**

A Type of Charge	B Unpaid Charges	C Interest	D Total (B+C)
Rental	\$117,333	\$27,493	\$144,826
Drop-Off	\$710	\$143	\$853
Handling	\$11,795	\$2,493	\$14,288
Repair	\$202	\$35	\$237
Total Loss	<u>\$46,920</u>	<u>\$1,069</u>	<u>\$47,989</u>
Total	\$176,960	\$31,233	\$208,193

Notes:

1. Unpaid charges are per Lease 5004: rental (Clause C); handling (Clause J); and repair (Clause K).
2. Drop-Off charges under Lease 5004 assessed per agreement when CMA returned containers where Waterfront does not have a depot.
3. Total Loss is charged at Depreciated Replacement Value (Clause L): 23 total loss/unreturned units x \$2,040 DRV = \$46,920.
4. Interest is charged at 1.5% per month, per Appendix A, Term 10.

Attachment 2 to Alternative A
Waterfront's Damages for Lease 7006 – Summary
Through April 30, 2014
Sale of Containers on Open Market by WCL

A Type of Charge	B Unpaid Charges	C Interest	D Total (B+C)
Rental (per diem)	\$2,384,144	\$123,926	\$2,508,070
Total Loss	<u>\$31,900</u>	<u>\$1,685</u>	<u>\$33,585</u>
Subtotal	\$2,416,044	\$125,611	\$2,541,655
Less Net Differential between FMV and Purchase Option Price (Attachment 3)			(\$1,349,546)
Due to Waterfront for Lease 7006			\$1,192,109

Notes:

1. Unpaid rental charges are per Lease 7006 (Clause 8). Rental on returned containers ceased as of the date when returned. Rental on unreturned containers ceased as of 02/27/14 when CMA paid the purchase option prices.
2. Repair charges (beyond normal wear and tear) are due under Lease 7006 Clause 19. Waterfront did not repair the redelivered containers, so the repair charges owed have been deleted under the assumption that the prices Waterfront received for the sale of the redelivered containers reflected their unrepainted condition.
3. Drop-off and handling (Clause 10) charges, which are normally assessed upon redelivery, have been deleted because if sale had been made under purchase option the containers would not have been returned.
4. Total loss is charged at Fixed Replacement Charge per Clause 20. This is for containers that CMA declared were total losses, not for containers CMA retained due to the purchase option dispute.
5. Interest is charged at 1.5% per month, per Appendix A, Term 10. Interest on rental charges for returned containers is calculated as per Attachment 5.

**Attachment 3 to Alternative A
Fair Market Value/Purchase Option Price Differential
For Containers CMA Returned Under Lease 7006
Through April 30, 2014**

A	B	C	D	E	F
Type of Unit	# of Returned Units	Purchase Option Price	Average Sales Price By WCL	Price Differential (D-C)	Net Differential: CMA's Damages (BxD)
20'	2,099	\$750	\$1,019.40	\$269.40	\$565,470.60
40'	1,171	\$1,200	\$1,544.38	\$344.38	\$403,268.98
40 HC	1,320	\$1,300	\$1,588.49	\$288.49	\$380,806.80
Total	4,590				\$1,349,546.38

Notes:

1. Column B shows the number of containers CMA returned.
2. Column C shows the purchase option price per Lease 7006.
3. Column D shows the average sales price Waterfront received when selling the containers, including an estimated sales price for the unsold containers. See Attachment 4 for detail.
4. Column E shows the net damages to CMA, by multiplying the number of returned containers times the price differential between the purchase option price and the average sales price.

Attachment 4 to Alternative A
Average Sales Price Computation for Units CMA Returned Under Lease 7006

Units CMA Returned and WCL Sold July 2012-April 30, 2014

A	B	C	D (B÷C)
Container Type	Sum of Sales Price Of Units WCL Sold	Number of Sold Units	Average Sales Price of Sold Units
20'	\$1,951,875.00	1,875	\$1,041.00
40'	\$1,705,881.60	1,080	\$1,579.52
40 HC	\$1,967,126.35	1,205	\$1,632.47
Total		4,160	

Projected Sales of Units CMA Returned But Not Sold by WCL as of 04/30/14

E	F	G	H (FxG)
Container Type	Number of Unsold Units	Average Sales Price of Sold Units Jan.-April 2014	Projected Sum of Sales Price of Unsold Units
20'	224	\$838.58	\$187,841.92
40'	91	\$1,127.29	\$102,583.39
40 HC	115	\$1,127.60	\$129,674.00
Total	430		

Combined Average Price for Units CMA Returned (Sold and Unsold)

I	J	K	L
Container Type	Combined Sum of Sales Proceeds (B+H)	Combined Number of Units (C+F)	Average Sales Price (J÷K)
20'	\$2,139,716.92	2,099	\$1,019.40
40'	\$1,808,464.99	1,171	\$1,544.38
40 HC	\$2,096,800.35	1,320	\$1,588.49
Total		4,590	

Notes:

1. To determine the loss for the units CMA has returned, the purchase option prices can be compared to the average sale prices for those containers. Waterfront has not been able to sell all the returned containers yet, and the expected sale price of the unsold units will be below the average sale price to date because the market value for used containers has decreased over time. By combining the actual sale prices of the sold containers and the projected sales prices of the unsold units, a fair market value for the returned containers can be determined.
2. These average sales prices (column L) are used in Attachment 3, column D.

Attachment 5 to Alternative A – Page 1

Methodology for Computing Interest on Unpaid Rental Charges for Returned Containers Under Lease 7006

CMA returned 4,590 containers under Lease 7006, primarily from July 2012 through December 2013, but also before and after those dates. The rental charge on each container stopped as it was returned, which also would begin different interest periods. Interest on unpaid rental charges for containers returned under Lease 7006 thus might require up to 4,590 calculations. To avoid this, and yet to reach a reasonable interest computation, Waterfront has computed interest on the assumption that the containers were returned evenly over the 18 month period July 2012 through December 2013, and that when a container was returned Waterfront then owed CMA the difference between the purchase option price and the fair market value (based on average sale prices), which therefore reduced the principal on which the interest was owing. The methodology for computing interest is described below.

1. Interest charged at 1.5% per month (per Appendix A, Term 10), on cumulative unpaid rental and repairs (but not drop-off or handling charges), less any reducing amount as set forth below.
2. Period commencing May 1, 2012, with first month ending May 31, 2012.
3. Interest for May 2012 is computed on cumulative unpaid rental as at May 31, 2012, with no deduction, as CMA did not begin returning units until July 2012.
4. Interest for June 2012 is computed on cumulative unpaid rental as at June 30, 2012, with no deduction.
5. Interest for July 2012 is computed on cumulative unpaid rental as at July 31, 2012, less a sum of \$100,000. The reduction is a rounded off amount of the monthly prorated amount owed to CMA, being the net differential between the Purchase Option Prices and the Fair Market Values (based on average sale prices). It is assumed that a similar number of units were returned every month. The total net differential, at December 31, 2013, is \$1,769,569, which is rounded to \$100,000 per month over 18 months. Interest on rental unpaid after 30 days will continue to accrue.
6. Thus interest for August 2012 is computed on cumulative unpaid rental as at August 31, 2012, less a sum of \$200,000.
7. Interest for September 2012 is computed on cumulative unpaid rental as at September 30, 2012, less a sum of \$300,000.
8. This continues with the cumulating unpaid rental less a reducing amount (which is growing by \$100,000 per month), until the reducing amount reaches \$1,800,000.

Attachment 5 to Alternative A – Page 2

**Interest computation
for 7006SF**

April 30, 2014

Rental & Repairs Only

Period	Unpaid Invoices	Reduction	Interest @1.5%
May 31, 2012	\$0.00	\$0.00	\$0.00
June 30, 2012	\$49,663.41	\$0.00	\$1,365.74
July 31, 2012	\$234,473.64	\$100,000.00	\$3,529.93
August 31, 2012	\$420,147.96	\$200,000.00	\$5,503.70
September 30, 2012	\$589,405.30	\$300,000.00	\$6,873.38
October 31, 2012	\$759,436.85	\$400,000.00	\$8,087.33
November 30, 2012	\$918,456.76	\$500,000.00	\$8,892.21
December 31, 2012	\$1,074,414.29	\$600,000.00	\$9,488.29
January 31, 2013	\$1,236,215.04	\$700,000.00	\$10,054.03
February 28, 2013	\$1,374,603.96	\$800,000.00	\$10,055.57
March 31, 2013	\$1,520,274.43	\$900,000.00	\$10,079.46
April 30, 2013	\$1,658,717.70	\$1,000,000.00	\$9,880.77
May 31, 2013	\$1,797,656.15	\$1,100,000.00	\$9,592.77
June 30, 2013	\$1,922,332.30	\$1,200,000.00	\$9,029.15
July 31, 2013	\$2,046,023.90	\$1,300,000.00	\$8,392.77
August 31, 2013	\$2,168,704.02	\$1,400,000.00	\$7,687.04
September 30, 2013	\$2,266,481.87	\$1,500,000.00	\$6,706.72
October 31, 2013	\$2,372,826.39	\$1,600,000.00	\$5,796.20
November 30, 2013	\$2,372,826.39	\$1,700,000.00	\$4,205.16
December 31, 2013	\$2,394,138.61	\$1,800,000.00	\$2,970.69
January 31, 2014	\$2,603,677.69	\$0.00	\$9,763.79
February 28, 2014	\$2,670,423.87	\$0.00	\$6,676.06
March 31, 2014	\$2,733,363.41	\$0.00	\$3,416.70
April 30, 2014	\$2,796,458.86	\$0.00	\$0.00
Total Interest			\$138,190.91

	Unpaid	Weighted Avg	Interest	Totals
Rental	\$2,507,795.18	89.68%	\$123,926.19	\$2,631,721.37
Repairs	\$254,563.68	9.10%	\$12,579.62	\$267,143.30
Total Loss	\$34,100.00	1.22%	\$1,685.10	\$35,785.10
	\$2,796,458.86	100.00%	\$138,190.91	\$2,934,649.77